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CIA Didn't Approve Ex-Agents' Libyan Work, Casey Says

By ROBERT L. JACKSON, Times Staff Writer

WASHINGTON—William J. Casey, director of the Central Intelligence Agency, told a House committee Tuesday that the CIA did not approve Libyan terrorist training activities by former agents Edwin P. Wilson and Francis E. Terpil.

But Wilson and Terpil, who are under federal indictment, may have received help from individual CIA officers while the two were working for the radical regime of Libyan leader Moammar Kadhafi, according to Rep. Edward P. Boland, (D-Mass.), chairman of the House Intelligence Committee.

Casey's denial of any official CIA involvement in the Wilson-Terpil case came as the House committee opened closed-door hearings into international business deals by former CIA agents.

Boland told reporters after the hearing that Casey had ordered a new investigation of the CIA's ties to Wilson and Terpil, who were charged in April 1980, with illegally exporting terrorist equipment to Libya. The investigation is not yet completed.

The Justice Department is investigating other deals by the two men, including their alleged secret attempts to export high-technology devices to the Soviet Union and nations in the Middle East.

Two Dismissed

Adm. Stansfield Turner, Casey's predecessor as CIA chief, had received an earlier internal report that led him to dismiss two middle-level agency employees who were suspected of having ties to Wilson and Terpil. But the report exonerated several senior officials who were suspected of having such ties, according to former CIA officials.

Boland said Casey's testimony was the second investigation of CIA involvement in Libya. There was no official CIA involvement in Terpil after their indictment.

Boland said his committee conducted a four-month inquiry and found no misconduct at this point.

'May Have Been Contaminated'

Asked whether the CIA knew of any approval of Terpil but there may have been duals who were on board but didn't rise to the top of the hierarchy.

Casey declined to meet reporters after this testimony but provided Boland typed notes.

Last month, Douglas M. Schlachter, a former close associate of Wilson's told federal investigators that he had briefed two high-ranking CIA officials about Wilson's activities at meetings in the Washington area in 1976 and 1977.

Alvin C. Askew, Schlachter's lawyer, identified the two as Theodore G. Shackley and Thomas G. Clines. Both have retired and have denied knowing about Libyan terrorist training. Shackley was chief deputy to the CIA's director of clandestine services, and Clines was director of training in that division.